For Publication   **Bedfordshire Fire and Rescue Authority**
Audit and Standards Committee
10 July 2019
Item No. 13

REPORT AUTHOR: **ASSISTANT CHIEF OFFICER (FINANCE AND CORPORATE SUPPORT)**

SUBJECT: **CORPORATE RISK REGISTER AND REVIEW OF CORPORATE RISK MANAGEMENT**

For further information   Group Commander Ian McLaren
on this Report contact: Organisational Assurance Manager
                               Tel No: 01234 845000

Background Papers: None

Implications (tick ✓):

LEGAL			FINANCIAL	✓
HUMAN RESOURCES			EQUALITY IMPACT	
ENVIRONMENTAL			POLICY	
CORPORATE RISK	Known	✓	OTHER (please specify)	
	New			

Any implications affecting this report are noted at the end of the report.

PURPOSE:

To review the development of the Service's Corporate Risk Register.

RECOMMENDATIONS:

That Members acknowledge:

1.   The continuing development of the Service's Corporate Risk Register; and,

2.   That the appropriate Policy and Challenge Groups have considered and reviewed controls proposed to reduce the identified risks.

---

1.   <u>Introduction</u>

1.1   Each of the Fire and Rescue Authority's (FRA) policy and challenge groups has a standing item on their agenda for the consideration of risks relating to the remit of each Group. In addition, this Committee receives regular reports on the full Corporate Risk Register.

1.2   The Corporate Risk Register will be available at the meeting, with explanatory notes regarding the risk ratings applied appended to this report.

1.3   Changes to individual risk ratings arising from the **Corporate Services** Risk Register:

        There are no changes to the Corporate Risk Register individual risk ratings.

1.4   Updates to individual risks arising from the **Corporate Services** Risk Register:

- **CRR00029: If we do not communicate well, both internal and external to the Service, then we will suffer from poor staff morale, miss the opportunity to promote ourselves and the excellent work that we do and potentially impact upon our ability to deliver a full range of services.**

The updated Communications Strategy has been approved for publication and will support the delivery of our aims, objectives and priorities. It has received consultation from other partners, including Police and other Fire and Rescue Services. The communications objectives will now be reviewed and aligned to deliver against this strategy, to support our CRMP and to ensure that we effectively deliver messages both internally and externally. The Service also now has a Senior Information Risk Owner (SIRO) in place, the Assistant Chief Officer (ACO), who is establishing the required responsibilities, training and meetings.

- **CRR00039: If we have inadequate data management due to poor implementation, inappropriate specification of requirements or poor quality control measures then we are at risk of using the wrong information throughout the organisation and thus potentially affecting the delivery of our services.**

A Data Management Strategy is being created. A major component of that is the Information Asset Register of which a draft register has been created. Head of ICT has reviewed the Risk Rating and it remains unchanged at this time.

- **CRR00004: If there is a large number of staff absent from the workplace then our ability to deliver services to our communities is severely compromised and our reputation will be adversely affected.**

The Service business continuity plan in relation to a significant loss of staff has been revised by Head of Response on behalf of CMT, who have worked through this in detail on 13 May 2019. Week commencing 27 May 2019 an internal audit has been conducted by RSM to consider our business continuity arrangements, providing assurance against the plan and reviewing our previous implementation. A further table top exercise for CMT members will be scheduled.

FBU have submitted a 17% pay settlement proposal. NJC has recently released an annual performance statement and has seen a change in Chair as of 1 Oct 2018. Negotiations on pay and conditions continue. The risk score has been reviewed and has not been changed at this time.

- **CRR00027: If we receive a poor budget settlement from government and reduce funding from our Local Unitary Authorities, and/or we have an adverse response from our Council Tax Precept increase consultation processes, then our ability to deliver a full range of services could be significantly affected. Potential key pressures for 2018/19 onwards may be the Firefighters pay award, the employer pension contributions and the funding of these. The 2019/20 financial is the last year of the four year fixed funding agreement. We also await a Spending Review in 2019/20.**

The 2019/20 Budget and Council tax were set by the FRA on 7th February 2019. This also included the approval of a Reserves Strategy and Medium Term Financial Strategy. The budget is balanced into the medium term and there is now a revised strategy in place to utilise some general and earmarked reserves for transformational investment as well as for budget purposes. The next financial year is likely to see the largest revision to local government finance in decades, with the Spending Review, Business Rates Retention and Formula Funding revision. Therefore 2020/21 will be a key year in resetting our budget planning.

Due to the delay in Brexit, there is still uncertainty whether Local Authorities will receive a one year or three year financial settlement. We await further updates from the Home Office/MHCLG,

- **CRR00043: If the Service suffers a terrorist attack then there is the potential for elements of the Critical National Infrastructure (CNI) to be compromised, our ability to respond to emergency incidents could be significantly affected, we would be unable to fulfil our duties under the Civil Contingencies Act and our reputation could be adversely affected.**

The term 'critical national infrastructure' has been replaced within the risk title; this previously referred to our mobilising provision, which has subsequently been reclassified. However it remains a risk to the organisation's delivery of emergency service. To enable the Service to maintain an effective response for the community to a terrorist attack, there is work on place currently to compliment the provision of specialist response team members within existing arrangements, which continues to be supported through a multi-agency regional approach for training and exercising, providing national and local assurance. It is proposed by HSDA that these developments do not change the overall risk rating.

Following recent terrorist events in New Zealand, the Service attended a multi-stakeholder engagement event in April 2019 to build on local community cohesion, share notable practice and coordinate support activities, specifically within Muslim communities. This opportunity is provided through continued engagement by our Diversity and Community Safety teams.

- **CRR00045: Exchanges of information, attacks and or hacking, email, web browsing, removable media, exposes the Service to malicious code and content (Virus/malware).   There is a risk this could seriously damage the confidentiality, integrity and availability of our Service's information and ICT resulting in disruption to the delivery of our Services, loss of sensitive information, resulting in material financial loss and legal or regulatory sanctions.**

CMT members have received Senior Information Risk Owner (SIRO) training in September 2018 as part of a workshop provided by Aristi, covering information security. Aristi have provided a range of tools to assist with developing improved risk awareness and management to include data protection and cyber security. ICT have completed a security audit with internal auditor RSM which is prep for the cyber essentials accreditation. We aim to be Cyber Essentials certified by September 2019.

The Risk Title and Risk Statement have been reviewed to make it more relevant to the risk identified. A further review of CRR00038 and CRR00045 has identified a significant duplication, therefore CRR00038 will be closed to ensure a focussed and effective reporting on this risk going forward. The Risk Rating has been reviewed and remains the same.

- **CRR00048: There is a risk that the Service may be subjected to a fine from the ICO due to not implementing GDPR resulting in poor data security and process.**

An action plan has been developed from the outcomes of an internal audit conducted by RSM. Resources have been provided to progress the action plan and implementation of improvements. Contact is being made within region to identify any notable practice and to assist with developing key policies and procedures. The risk rating has been reviewed and remains unchanged.

- **CRR00015: If we do not properly manage the work issues that can potentially be caused by collaboration or shared services including:**

  1. Redundancy
  2. Relocation
  3. Cost of work for the convergence of procedures
  4. Use of inexperienced staff familiar with FRS operations
  5. Increase in staff numbers and associated cost

  Then there will be a negative cultural impact upon the service and the projects may fail.

A risk treatment action to review the Project and Programme Policy has now been completed with a revised policy published 30 April 2019. Additionally a new Project and Programme Manager post has been established by HICT to provide enhanced support and coordination of Service projects.

- **CRR00047: There is a risk that the outcomes of the 'Brexit' (Britain's withdrawal from Europe) negotiations could impact on the delivery of services through a breakdown in community cohesion, the ability to provide effective assurance to potential loss, and the uncertainty on procurement of goods and equipment.**

The government has announced that the date for Britain's withdrawal from European Union (EU) has been extended until 31 October 2019, by agreement with the EU. At the Strategic Coordination Group on 12 April 2019 representation from Ministry of Housing Communities and Local Government Resilience and Emergencies Division (MHCLG RED) provided an update which included the removal of current reporting requirements from Local Resilience Forums (LRF), a pending review of strategy and a proposed debrief to collect current lessons learned to date. The SCG will suspend future meetings, with new dates to follow. Police and Local Authorities remain engaged on planning arrangements for European elections. The Service risk review remains at 31 October 2019. A proposal has been made to reduce the risk score from 9 to 6. This is based on a reduction from 3 (major) to 2 (moderate) in regard to the impact to resources, given the 6 month deferral of Brexit.

NFCC National Resilience Information Note 17-2019 (12 April 2019) requires that, with immediate effect, EU Exit reporting by the English FRS to NRAT will move to reporting EU Exit related issues by exception to the NRAT Duty Officer.

1.5   Changes to individual risk ratings arising from the **Service Delivery** Risk Register:

The Corporate Risk Register individual risk ratings have been reviewed and there are no changes for this update.

1.6   Updates to individual risks arising from the **Service Delivery** Risk Register:

- **CRR00002: If we cannot recruit or retain adequate numbers of part time fire fighters, particularly in relation to day cover, then we will not be able to fully crew our fire appliances and thus have a detrimental impact on our service delivery due to the unavailability of our fire appliances.**

Through the Retained Duty System (On-Call) Improvement Project, a number of key work streams have provided options for supporting improvements with the recruitment and retention of On-Call personnel. This includes the implementation of a new On-Call Management System (Gartan). Gartan provides a platform for live crewing information and supports the mobilisation of appropriate On-Call resources. Gartan also provides a reliable source of data for assessing the effectiveness of On-Call availability and is utilised for identifying recruitment needs. The Service has now begun formal negotiations with the representative bodies, and the On-Call workforce, on contractual changes that will improve working arrangements that are more family friendly and whilst delivering improvements on the availability of On-Call appliances.

- **CRR000022: If we have inadequate or incomplete operational pre planning policies, procedures or information available to us then we can potentially risk injury or even death to our fire-fighters and staff.**

National Operational Guidance Programme has now issued training specifications in a number of areas. The Service is waiting for specific gap analysis toolkits to be developed to enable an analysis to be completed. The Service is well embedded with Regional partners to ensure that best practice is shared and risk information is consistent.

- **CRR00044: If the Service does not have a reliable accurate system for continuously monitoring and updating the availability and skills of Retained Duty System (RDS) operational personnel and RDS appliances then there could be delays in mobilising the nearest available appliance to emergency incidents. This could significantly impact upon the effectiveness and mobilising of our emergency response, increase risks to firefighters and the communities, reduce our ability to monitor performance, undermine RDS employees confidence in the Service and could result in negative media coverage.**

  The Gartan availability system continues to provide accurate availability information enhancing the day to day management of RDS (On-Call) individual and appliance availability. The system has proven to be very reliant at all times, supporting On-Call stations and management reporting

1.7   Changes to individual risk ratings from the **Human Resources** Risk Register:

  The Corporate Risk Register individual risk ratings have been reviewed and there are no changes since the last update.

1.8   Updates to individual risks arising from the **Human Resources** Risk Register:

- **CRR00040: If there is a retirement of a large number of operational officers over a short period of time then we lose significant operational and managerial experience within the service which could ultimately affect our service delivery and wider corporate functionality in the shorter term**.

Following a positive wholetime firefighter selection process, it has been agreed by CMT, in consultation with representative bodies, to progress those successful within the process that have experience as an On-Call Firefighter will undertake a skills gap analysis and attend a bespoke training course. Those candidates with no prior experience will undertake the full Foundation training course model and be registered for the new Firefighter Operations Level 3 apprenticeship standard. This has efficiency benefits, recognises evidenced prior skills, knowledge and understanding, and reduces the duration of Firefighters being operationally available.

GAVIN CHAMBERS
ASSISTANT CHIEF OFFICER (FINANACE AND CORPORATE SUPPORT)

Explanatory tables in regard to the risk impact scores, the risk rating and the risk strategy.

Risk Rating/Colour	Risk Rating Considerations / Action
Very High	High risks which require urgent management attention and action. Where appropriate, practical and proportionate to do so, new risk controls must be implemented as soon as possible, to reduce the risk rating. New controls aim to: • reduce the likelihood of a disruption • shorten the period of a disruption if it occurs • limit the impact of a disruption if it occurs These risks are monitored by CMT risk owner on a regular basis and reviewed quarterly and annually by CMT.
High	These are high risks which require management attention and action. Where practical and proportionate to do so, new risk controls *should* be implemented to reduce the risk rating as the aim above. These risks are monitored by CMT risk owner on a regular basis and reviewed quarterly and annually by CMT.
Moderate	These are moderate risks. New risk controls should be considered and scoped. Where practical and proportionate, selected controls should be prioritised for implementation. These risks are monitored and reviewed by CMT.
Low	These risks are unlikely to occur and are not significant in their impact. They are managed within CMT management framework and reviewed by CMT.

Risk Strategy	Description
Treat	Implement and monitor the effectiveness of new controls to reduce the risk rating. This may involve significant resource to achieve (IT infrastructure for data replication/storage, cross-training of specialist staff, providing standby-premises etc) or may comprise a number of low cost, or cost neutral, mitigating measures which cumulatively reduce the risk rating (a validated Business Continuity plan, documented and regularly rehearsed building evacuation procedures etc)
Tolerate	A risk may be acceptable without any further action being taken depending on the risk appetite of the organisation. Also, while there may clearly be additional new controls which could be implemented to 'treat' a risk, if the cost of treating the risk is greater than the anticipated impact and loss should the risk occur, then it may be decided to tolerate the risk maintaining existing risk controls only
Transfer	It may be possible to transfer the risk to a third party (conventional insurance or service provision (outsourcing)), however it is not possible to transfer the responsibility for the risk which remains with BLFRS
Terminate	In some circumstances it may be appropriate or possible to terminate or remove the risk altogether by changing policy, process, procedure or function